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INSURANCE PRODUCERS PILOT PROJECT UNDERWAY

What would happen if you could only buy Coke products through a toll-free number or if you could only get newspapers from the main office and not delivered to your front door? Sales of these products would decrease dramatically. These scenarios emphasize the importance of distribution and delivery channels. Much like the third floor pop machine and our newspaper delivery person, Montana insurance producers will help the State Fund deliver its services and products to customers.

> *Montana insurance producers will help State Fund deliver its services and products to customers.*

Montana insurance producers represent a network of knowledgeable people. Producers serve local businesses and individuals through their trusted knowledge of the customer's business. Today, customers often want someone to hold their hand in the complex world of insurance. They want someone they know and trust to deliver the product and service and respond to questions and problems. Furthermore, producers can provide critical value added customer service. They work with businesses to save costs, encourage return to work opportunities and improve safety in the workplace. For these reasons, insurance producers from communities across our state will help further the goals and vision of the State Fund.

In June, the State Fund will unveil a "Pilot project for Insurance Producers." This has been an integral part of the Fund's strategic planning for more than three years and was authorized by the '97 Legislature. Senate Bill 67 (see legislative article on bills update), enables the Fund to work with producers, similar to many private insurance companies. Our pilot project is slated for July 1 through February 1998. The plan involves a limited number of agencies with strong geographical distribution and expertise. Agencies will be evaluated for the pilot project on their experience and ability to assist the State Fund with new business. Producers will receive a commission for new business only. An RFP for agency proposals was mailed April 16, with a due date of May 1.

An essential component of the project is formal training sessions for producers. This will occur the first week in June with presentations from various State

Continued on page 6.

KEEP UP THE GREAT CUSTOMER SERVICE!

Customers comments

Sherry Carroll received a phone call for Mike Welsh from Audrey Suzanne who just called to say how "great Mike has been about getting her billing paid." Audrey said thanks for the prompt reply to her billings and to "give himself a hug."

Jodi Alexander, Manager of French Valley Ranch writes, "Once again I find myself totally amazed at the understanding and helpfulness I received while dealing with your office. Many thanks should go to **Deanna Albert**, what a gem and how lucky you are to have her."

"Our claim representative was excellent. She was courteous, friendly and very helpful, it was a pleasure to work with her." *-Response from March closed claim survey*

Thanks to everyone of my fellow employees at State Fund for your help, cards, encouragement and donations while I recovered from surgery. I cannot express how much it means to me to have so many good friends and co-workers who have assisted in my recovery and touched my heart. Thank you all so much!

Enid Kalaher

Published monthly for and by the employees of the Montana State Fund.

President's Message

With superior customer service as a mainstay of our mission, licensed insurance producers will be an integral part of our strategy to further build upon the service improvements we have achieved. Over the past three years, we have discussed the value added service producers can provide customers, and I believe our employees understand the importance of producer relations. Many of them represent multiple insurance carriers and therefore, they often will present their customers with several quotes or options provided by the carriers they represent. The producer will often make a recommendation to the customer based on how competitive the pricing is, and their knowledge of the service capability of the insurance carriers. Therefore, we must go the extra mile with the producers who contract with us to show them how customer-focused we truly are. We will have to prove, in action, that our service is the best and show them we are the "carrier of choice." The State Fund is a different organization and has come a long way in three years. Insurance producers will soon have the opportunity to learn, first hand, of our accomplishments and progress.

One important item we need to recognize is our pilot is geared to new business only at this point. Our contract with producers will acknowledge their right of ownership on any new business placed with us, just like most other insurance company agreements. Although these new customers will be every bit as important to us as any other customer, our agency agreements recognize that our producers will own these renewals and thus think of these customers as theirs.

The State Fund's pilot project for insurance producers will offer commissions to producers for new business above $1,000 in premium. In turn, licensed insurance producers will provide greater options and serve as a marketing arm to the State Fund. They will provide critical expertise and add value to these customers and make our services more competitive. Knowledgeable producers will be educated about State Fund policies and practices to answer questions, facilitate return to work, early reporting and enhance claim management. Like the private companies we compete with, producers offer a network to deliver our products and services and an ability for us to be more competitive. I am very excited about this undertaking and pleased the SB67, which received overwhelming support in the Legislature, authorizes the State Fund to launch our agency pilot plan.

Spotlight on the Courts

By Charlie Adams

The State Fund lawyers handle a variety of cases in a variety of forums. This is an overview of some of the forums which decide our cases.

The Workers' Compensation Court makes many decisions affecting the State Fund. It hears and determines most of the disputes concerning Montana workers' compensation benefits. The Court was created in 1975 to provide a forum for resolution of disputes between insurers/employers and injured workers.

The Court consists of Judge Mike McCarter, who was appointed by Governor Racicot in 1993, a law clerk, a hearing examiner, the clerk of court and two deputy clerks.

The Court hears many issues arising under the Workers' Compensation Act and the Occupational Disease Act and holds trials in these cases. Trials, as well as settlement conferences, are held in various locales around the state. The Court also serves in a judicial review capacity for final Department of Labor orders under the two acts. All decisions can be appealed directly to the Supreme Court in the same fashion as district court decisions.

Continued on page 6.

Kudos Kolumn

Kudos to the CSU

The CSU worked hard to keep the unit running while I was in the hospital in March. A huge thank you from Nance for all your support.

Kudos to Wendy Blood

Holly Wood extends kudos to Wendy who took the minutes for the recent Strategic Business Planning meeting. She worked longer hours and went the extra mile to do a terrific job.

Kudos to Linda Harmon

Mary Simpson gives Linda Harmon a kudo for her great filing efforts for Unit 5. Thanks for helping everyone's jobs go smoother.

Kudos to Vi Walchuck

Ed Benasky said Vi's been fantastic at helping MIS keep up on the service to the rest of the Fund. Kudos to Vi for making sure everyone in MIS follows up on those calls they get each day and keeping our systems up and running!

Kudos to Wayne Dillavou and Ben Jones

Kathy Rowsey sends her kudos for their cheerful attitude and smiles when asked to help co-workers during the BIS conversion.

Kudos to Mike McGrorty

Kudos to Mike from Larry Thomas and John Thomas for his pleasant and professional manner in dealing with his claimants during BIS implementation.

Legislative Update

The State Fund's legislative lobbying team-Nancy Butler, Mark Barry, Lanny Hubbard and Jeannie Huntley-deserve a big congratulations for their hard work on Capitol Hill. In addition, John Wilkins, Dan Gengler and Ed Binkley worked hard to keep up with fiscal notes and analysis. Thanks to everyone for such a dynamite job!

Senate Bills Passed

▪ **Senate Bill 41,** sponsored by Senator Benedict, transferred jurisdiction over disputes relating to wages paid for in property other than money, subrogation and payment of compensation to beneficiaries to the Workers' Compensation Court. SB41 also requires mediation of certain types of disputes and eliminates the underinsured employers' provisions of the Workers' Compensation Act. Any surplus funds from the Underinsured Fund will be transferred to the Uninsured Fund.

▪ **Senate Bill 62,** sponsored by Senator Sprague, clarifies payment of rehab benefits to disabled workers by eliminating the Department of Health and Human Services from the vocational rehabilitation process. This effort to streamline the process received overwhelming support. For claims after July 1, 1997, insurers and claimants will develop the rehab plan and the insurer will disperse the funds.

▪ **Senate Bill 67,** sponsored by Senator Benedict and at the request of the Governor, revises the workers' compensation laws and was passed with strong support. SB67 included major accomplishments for the State Fund. First, the bill eliminates the OFLT when the state Fund's independent actuary projects the unpaid liabilities of the Old Fund are adequately funded by a combination of the OFLT and the State Fund's contribution of $63.8 million. In addition to the Old Fund contribution, the State Fund will transfer $20 million to the General Fund ($10 million in FY98 and $10 million in FY99). The proposed date for the OFLT to end is June 30, 1999. Second, SB67 authorizes the State Fund to provide dividends to customers after July 1, 1998, and work with licensed insurance producers to provide service to customers.

SB67 also authorizes the State Fund to:

- Increase the Board of Directors from five to seven members, adding additional expertise.
- Provide additional coverage to policyholders with multi-state operations.
- Terminate temporary partial benefits for refusal to accept modified work assignments.

Finally, SB67 modifies benefits to increase access to rehabilitation benefits for workers without a wage loss, yet with at least a 15% impairment; modifies the lifting requirement for light activity for permanent partial disability benefits from 25 pounds to 20 pounds occasionally; defines "dependent" of deceased worker; provides for statute of limitations to bring workers' compensation disputes to hearing; redefines that failure to accept or deny a claim within 30 days results in a penalty rather that acceptance of the claim; and provides for use of prosecution and investigation fraud services from the Department of Justice for the Department of Labor's Uninsured Employer's Fund.

▪ **SB251** (Stang) clarifies workers' compensation coverage for students in work based learning activities.

▪ **SB290** (Keating) revises the workers' compensation administrative funding for all workers' compensation insurers to the Department of Labor and Industry.

▪ **SB304** (Cole) modifies exemption for an officer or manager of corporate stock based on stock ownership.

▪ **SB331** (Thomas) revises the workers' compensation reimbursement for hospitals to cover the subsidized costs from hospitals for claimants.

▪ **SB349** (Keating) addressed the workers' compensation regulatory functions of DOLI.

▪ **SB375** (Thomas) revises the assessment procedure for the workers' compensation subsequent injury fund. The bill changes the funding mechanism for the SIF to be more equitable between the three plans. The SIF will change from being a fully reserved fund to a cash flow assessment fund based on previous years' claims.

House Bills Passed

▪ **HB146** (Johnson) exempts title 53 welfare program participants from wage and hour laws and workers' compensation laws.

▪ **HB252** (Molnar) revises the independent contractor laws to reverse the changes made in the 1995 session. The new definition of independent contractor includes fulfilling the requirements of the "A" and "B" tests only and eliminates the requirements of the "C" test.

▪ **HB519** (Wyatt) authorizes certain advanced practice registered nurses to be treating physicians for workers' compensation.

Good Job Defensive Line

Bills not passed:

▪ **SB98** (Thomas) to authorize the Board of Regents to elect coverage under Plan I, II or III.
▪ **SB185** (Lynch) to eliminate the OFLT on employees/employers on January 1, 1998.
▪ **SB353** (Gage) to authorize state agencies to elect coverage under Plan I, II or III.
▪ **HB150** (Johnson) to decrease the percent of OFLT and require repayment of $20 million by State Fund.
▪ **HB305** (Galvin) to repeal OFLT on employees.

Profiles BB Unit

Front row, left to right: Diane Pederson, Mary Martinez, Kathy Rowsey
Back row, left to right: Mary Lynn Ramsey, Ben Jones, Terri Eaton, Gail Martin, Mike McGrorty, Tim Fitzpatrick
Not pictured: Gary Tuffli, John McMahon, Rick Clark

As a Claim Adjuster, **Benjamin Jones** works with claimants, employers and providers to ensure excellent customer service. Benjamin says the benefits of working with his department are "swift, personalized, knowledgeable service." He says it's difficult to balance the needs of the claimant and employee, but helping to return employees to work or retraining disabled employees is rewarding. Benjamin's background includes a Business Administration degree and 25 years of legal work in the Navy.

Diane Pedersen, Claims Adjuster, has worked at the State Fund nearly eleven years. She says her position "is the backbone of workers' compensation." Diane helps injured workers return to work and provides quality service to policyholders. She adds, "it's rewarding to see claimants return to work." Born and raised in Helena, Diane attended the University of Montana and enjoys golf, bowling and spending time with her family.

Terri Eaton, Claims Adjuster, processes claims for injured workers and helps them return to the work force. She says it's important to "maintain control of a claim and the costs, which directly effects the cost to policyholders. Terri finds satisfaction in knowing she has helped people return to work. In her spare time, Terri enjoys drawing and oil painting and spending time with her family.

Mary Lynn Ramsey works on Med Only claims. She is responsible for employer, employee and provider contact. Her position is important because the majority of claims are Med Only. She says, "it's a challenge to keep up with the volume of work but I enjoy the appreciation of claimants and providers." Mary Lynn is a native Helenan and worked as a domestic engineer for eleven years as well as in advertising and real estate before coming to State Fund.

Gary Tuffli is a Claim Assistant and has been at State Fund since 1985. Before taking on his current duties, Gary typed all field reports for field officers. He has held other state jobs and served in the Navy after high school.

Kathy Rowsey has worked at State Fund since 1993 and currently works as a Claim Assistant. Kathy enjoys working with the adjusters, she says, "they really are very considerate and patient is spite of their job demands. She says it's a challenge to keep up with the changes in procedures and working with an out-of-town adjuster. Kathy enjoys spending time with her family and loves to camp, raft and travel. She is involved in a program called "Changes" that helps people learn important life skills.

As the Claim Adjuster Supervisor of BB Unit, **Mary Martinez** supervises six in-house wage loss adjusters, one medical only adjuster, two claim assistants and two field adjusters. Mary says it is a challenge to balance policyholder demands and expectations with claimants and stay on top of current laws which effect adjusting. She adds, "as the Claim Department is the heart and soul of the State Fund, it is rewarding to be a part of the daily activities."

John McMahon and **Rick Clark** are also Claim Adjusters. John works out of Missoula and Rick is in the process of moving to Kalispell. They adjust claims for key accounts and provide them with personal attention.

Workplace Ergonomics

By Annette Satterly

Ergonomics by definition means fitting the workplace to the worker. This was a phenomenal concept, usually the worker was expected to adapt to the workplace. Here's something to think about when you're at your own workstation. Our bodies move in many different positions, but there are certain positions our bodies like to be in. When sitting at your desk, think of 90-90-90. If your ankles are at a 90 degree angle with the floor and your knees are at a 90 degree angle with the chair and your hips are at a 90 degree angle with the chair then you're on the right track. Keep in mind that depending on your size, your angles may be slightly larger or smaller than the 90-90-90. Watch for more tips next month!

Fun For The Fund

By Kathy Rowsey

All the State Fund picnics and parties are paid for by funds raised by the Special Activities Committee.

The new committee President is Kelly Stanley (Policy Services). Other members include Nance Hughes (Customer Service), Kathy Rowsey (Claims), Daisy Carson (Accounting), Kim Burbridge (Legal), Keri Routzahn (Loss Prevention/Premium Audit), Vi Walchuck (MIS) and Bridget Scevers (Underwriting), and Marilyn Murray (Underwriting).

A breakfast feast and selling ice cream and popsicles are just a couple of the new ideas being initiated by the committee. A questionnaire was sent to all employees a few months ago asking their opinion on different activities and also ways to raise money. The response was great, and there will be more information in the future on the survey results.

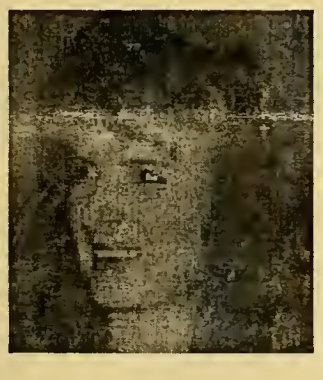
The Book Fair and Jean Day will remain as fundraisers. If you have any ideas to share, talk to one of the members.

Past committee members also deserve acknowledgment. Wanda Person has diligently served as President for the past five years. We extend a huge thank you to her for all the effort she put into fundraisers and activities. Her leadership is greatly appreciated. A big thanks also goes out to the other employees who put time and effort into the committee, they include: Laurie Ennist, Jim Worthington, Shauna Foley, Crystal Murphy, Dave Miller, Melodie Phalp and Wes Winden.

Out of their tenure came the Book Fair, Jean Day and several other fundraisers. The Jean Day project brings in around $2,000 a year. Not only does it provide us with funds for fun events, but all the employees enjoy it. It gives everyone a lift at the end of the week. Thanks again, we appreciate you taking the time and effort to make this happen!

Support the activities planned by the committee!

Employee of the Month



Holly Wood's co-workers say she shows exemplary leadership in the Customer Service Unit on a daily basis. When their supervisor, Nance Hughes, was hospitalized, Holly took charge and her leadership rose to another level. According to Holly's co-workers, "Her enthusiastic approach to the new BIS system calmed fears and encouraged everyone to work through minor problems and accomplish unit goals.

Holly worked extra hours to ensure the job was accomplished. Her tireless efforts were reflected in her tutoring, training and education. With her encouragement and determination, we overcame frustrations, united together and set out on a course to succeed."

Great initiative Holly!

Human Resources

Personnel changes as of April 18, 1997

New Hires

Lee McBride, CSU
Lynn Mogstad, CSU
Linda Montgomery, Claim
Shannon Olson, Claim
Lynn Swanson, Claim
Marilyn Maphies, Underwriting
Holly Kuder, LC/PA

Departures

Jeannie Huntley, Executive
Steve Ashmore, Claim
Shari Little, Legal
Teri Johnson, Admin/Finance
Laurie Ennist, Admin/Finance

Continued from page 2.

Before a typical benefits dispute case can go to the Court, it must first go through a non-binding mediation process. Before a Department of Labor mediator, the parties discuss their respective positions and attempt to resolve their differences.

The State Fund lawyers are also involved in more formal hearings before the Department of Labor in certain benefit cases involving various occupational disease, rehabilitation and coverage issues. The cases are heard by hearing officers who issue formal decisions subject to appeal to the Workers' Compensation Court.

In a variety of cases, the State Fund has litigation in state District Courts. For the most part, the cases involve disputes over payment of premium and other underwriting issues which wind up in the various courts of Montana.

In any of the above cases, appeals end up in the Montana Supreme Court. This 7-justice court is elected. It does not conduct trials; rather, it reviews the records and decisions of all lower courts and tribunals.

Finally, in the event that one of our policyholders files for bankruptcy protection, the State Fund will appear in Federal Bankruptcy Court, a one judge court, to assert its rights to be paid for any unpaid premium.

Editor: Aidan Myhre
Managing Editor: Shannon Copps
Employee Reporters:
Monica Carson, Kathy Rowsey
Charlie Adams, Dwan Ford
Jay Phillips, Jean Ketchel

Please call 444-6502 with comments or suggested articles.

This issue of the *Guardian* was printed and copied by Publications and Graphics, Department of Administration , Helena, MT. Printing and copying costs are available by writing State Fund, P.O. Box 4759, Helena, MT 59604-4759.

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Serve Creatively

Help set the tone for great service with new ideas!

You can provide exceptional service by exercising your creativity.

While you want to show all customers the same great level of care, creativity can enhance your approach to individuals. Just follow these tips.

Learn from your coworkers. What "extras" do your colleagues provide that enhance customer satisfaction? Consider how you might be able to adapt their techniques and give them your own special spin.

Appreciate each customer's uniqueness. Let customers know you and the State Fund regard them as people, not as account numbers. You can accomplish this by using their names. If customers talk about their children, vacations or hobbies, it's a nice touch to mention these personal topics the next time you serve them.

Ad lib. Do your customers occasionally have a problem, question or need you've never encountered before? Don't try to satisfy them with a pat response: work out a one-of-a-kind, personalized solution.

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Continued from page 1.

Fund employees. An internal training meeting will take place the previous week. The pilot project will be tracked manually, until PAALS is operational. This agency project is exciting and should provide a strong foundation to build on when the pilot project ends. For more information, contact Michael Glass, Christy Weikart, Dan Glenny or Marilyn Maphies.

Keeping You Posted...

By Wes Winden

What's new in training at State Fund? Here it is straight and simple.

Human Resources is covering the cost of these classes.

They are on a first-come, first-served basis. Submit a ZIP through your supervisor requesting approval to attend a specific class. If your supervisor approves your request, he/she will forward the ZIP on to me. You must then follow-up by completing a Training Request Form and forwarding it to your supervisor and department head for approval. The form then needs to be sent to HR.

PPRP Supervisor Training: May 12, 1:30-4:30, May 13, 8:30-11:30, May 27, 1:30-4:30, June 24, 8:30-11:30

Managing Your Time: May 14, 10-12, May 15, 10-12

Basic WordPerfect: May 19-21, 9-12, May 19-21 2-5

FMLA for Employees: May 21, 1:30-3:30, June 11, 1:30-3:30

FMLA for Supervisors: May 22, 1:30-3:30, June 12, 1:30-3:30

Dealing with Difficult People: May 28, 8:30-10:30

Effective Interviewing: June 5, 9-12

Contemporary Writing: June 10-13, 9-11

Intermediate WordPerfect: June 16-18, 9-12

PPRP Employee Training: June 25, 8:30-11:30